



San Francisco Health Network  
Laguna Honda Hospital  
and Rehabilitation Center

# Laguna Honda Hospital Closure Plan and Recertification Update

October 18, 2022



# About Laguna Honda



## The Largest Publicly-Run Skilled Nursing Facility in the Country

- For more than 150 years, Laguna Honda has been a pillar of San Francisco's healthcare system, providing healthcare services to approximately 700 residents.
- The hospital cares for people coping with the effects of complex or chronic conditions such as stroke, traumatic brain injury or degenerative diseases such as multiple sclerosis.
- Rehabilitative services include physical therapy, occupational therapy, speech therapy and audiology.
- Specialized care includes monolingual care in Spanish and Chinese, palliative care, positive care (AIDS/HIV) and memory care.



# Status Update



## De-Certification with CMS in April 2022

- Laguna Honda has an obligation to report many types of incidents with the goal of improving care. In 2021, Laguna Honda self-reported two non-fatal overdoses, which resulted in several surveys.
- The Centers for Medicare and Medicaid Services (CMS), as a result of those surveys, found the hospital out of substantial compliance.
- In April of 2022, CMS terminated Laguna Honda's participation in the Medicare and Medicaid Provider Participation Programs.
- CMS Reimbursements fund the majority of resident care, accounting for approximately \$550k a day or more than \$200 million annually.



# Status Update



## The Path to Recertification with CMS

- Laguna Honda continues to work hard to meet all regulatory requirements and make rapid improvements to prepare for recertification.
- This includes long-term operational, institutional, and cultural changes needed to achieve recertification and to ensure the long-term success of the hospital.
- Certification experts conducted a comprehensive organizational assessment and made recommendations on gaps and improvements, and Laguna Honda is implementing those improvements and tracking to ensure sustainability.
- Between the Laguna Honda staff and our expert consultants at Health Services Advisory Group (HSAG) and Health Management Associates (HMA), we are confident we have the team in place for a successful recertification.



# Status Update



## Settlement Agreement with CDPH and CMS – Extended Payments and Closure Plan Pause

- The City reached an agreement with CMS and CDPH on behalf of Laguna Honda. The settlement needs final approval by the Board of Supervisors and the Mayor.
- CMS has agreed to continue paying for resident care at Laguna Honda until November 13, 2023. This extension adds a year of federal payments beyond the current agreement with CMS.
- CMS has also agreed to continue to pause the involuntary discharges and transfers of residents until February 2, 2023. CMS will have the option to further extend the pause date, depending on progress. During this pause, resident-initiated transfers and discharges will continue to occur, which is a right our residents are entitled to and aligned with hospital policy.
- **We are very pleased we could reach this agreement with CMS and CDPH.**



# Status Update



## Settlement Agreement with CDPH and CMS – CMS Oversight

- As part of the agreement, Laguna Honda will continue to have CMS presence on campus. The federal facilitator will remain as an on-site monitoring presence.
- Surveys conducted by CMS and/or CDPH will occur at least once every 90 days to assess Laguna Honda's compliance with the Medicare conditions of participation with the first survey occurring no later than January 2023.
- Laguna Honda will also continue to work with expert consultants as part of our path to recertification. DPH and CMS has designated HSAG, one of the current recertification consultants, as Laguna Honda's Quality Improvement Expert (QIE), and they will continue to work with us towards recertification and correcting the deficiencies identified by CMS.



# Status Update



## Postponing Mock Survey #2

- Laguna Honda decided to postpone mock survey #2.
- Great work and improvements are happening hospital-wide but the additional time allows us to more thoroughly prepare and ensure corrections are sustainable.
- The postponement also provides time to address recent updates in CMS regulations called Phase 3 regulations. Surveyors will be assessing facilities nationwide against the new Phase 3 regulations starting this month.
- Laguna Honda has worked hard to prepare for Phase 3, but more time is welcome to understand how CMS expects these regulations to be implemented.



# CMS Recertification

## ► Preparing the Facility for Recertification

- Laguna Honda continues to work hard to meet all regulatory requirements. We are making rapid improvements to prepare for recertification.
- This includes long-term operational, institutional, and cultural changes needed to achieve recertification and to ensure the long-term success of the hospital.
- Certification experts are conducting a comprehensive organizational assessment and making recommendations on gaps and improvements, and Laguna Honda is implementing those improvements and tracking to ensure sustainability.





# CMS Recertification

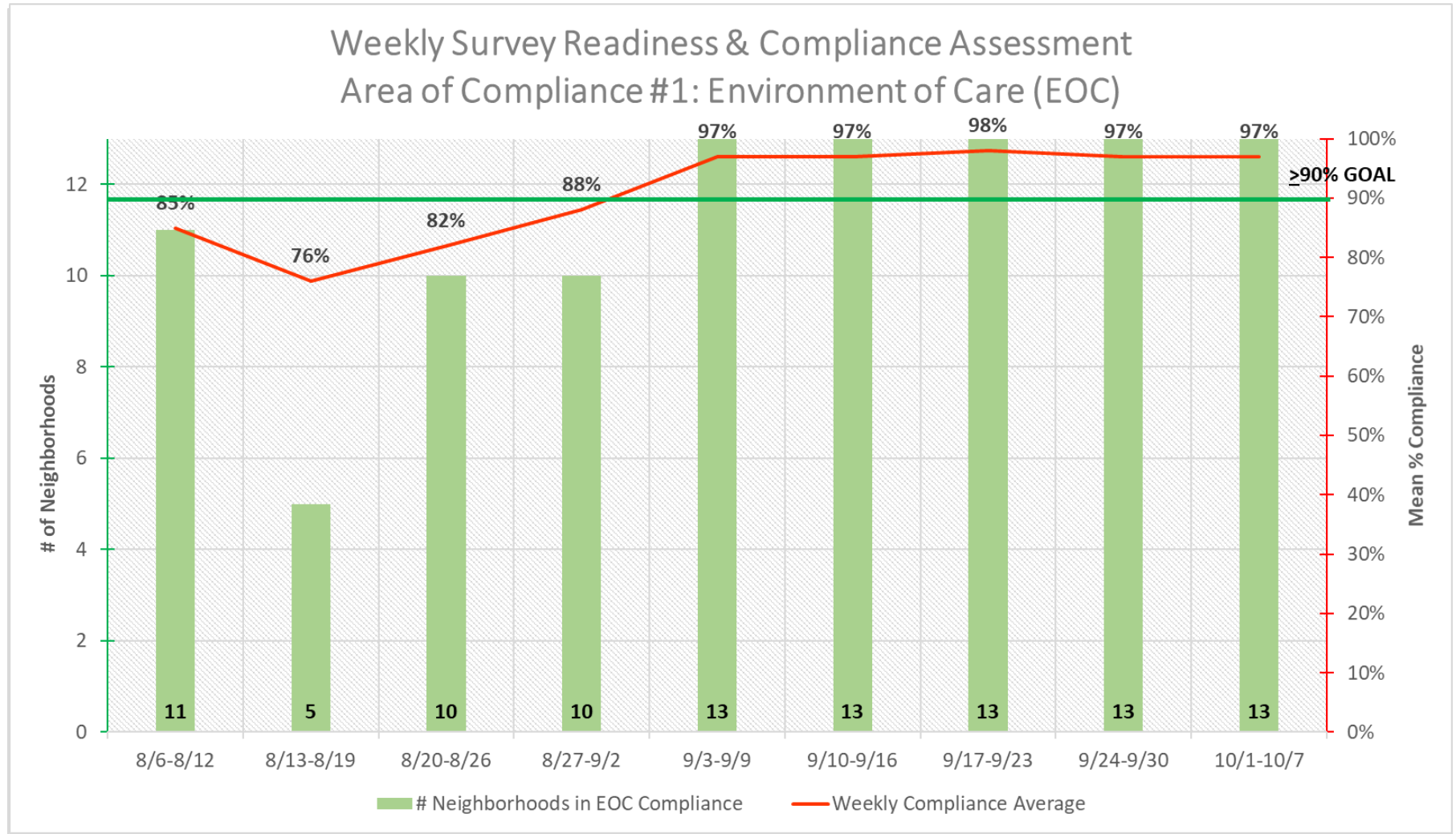


## Tracking and Sustaining Improvement Through Key Performance Indicators

- The Key Performance Indicators (KPIs) Dashboard combines the recertification-preparedness work into one consistent, visual tracking source.
- All staff review to ensure we meet and sustain regulatory compliance week after week.
- By reviewing the dashboards, we can celebrate and sustain successes, as well as direct resources towards areas of non-compliance. The KPIs will help us know when we are ready to submit our CMS recertification application.
- The KPIs reflect an extensive number of inputs, including in-person observations, document review, and assessments using the same tool deployed by CMS.
- All neighborhoods have demonstrated survey-readiness. The work is now to sustain survey-readiness every week.



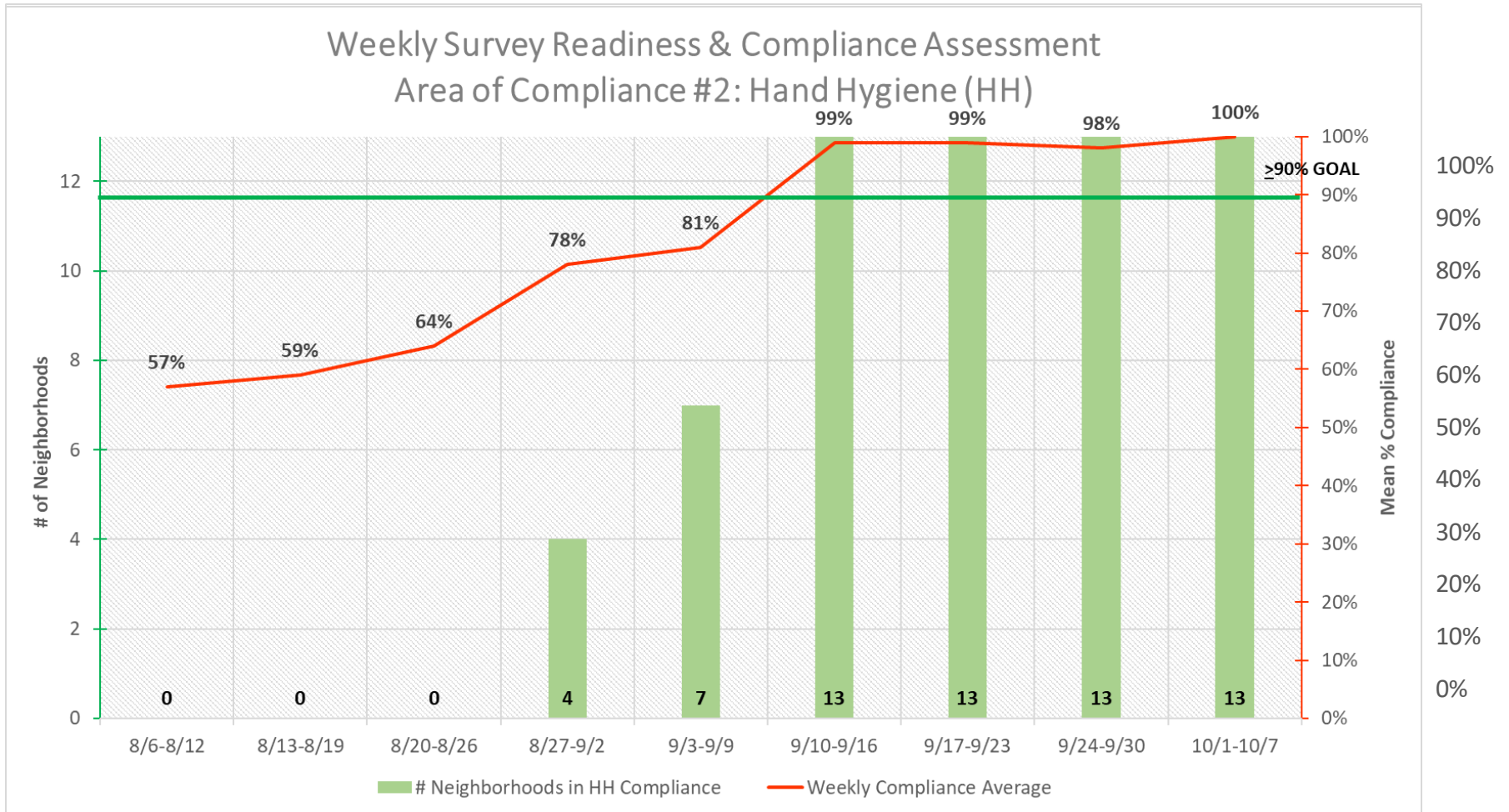
# CMS Recertification



**Key areas for improvement:** 1) Call light response time; 2) Trash, linen, and cleanliness compliance; 3) Medication cart compliance; and 4) Biohazard/sharps containers



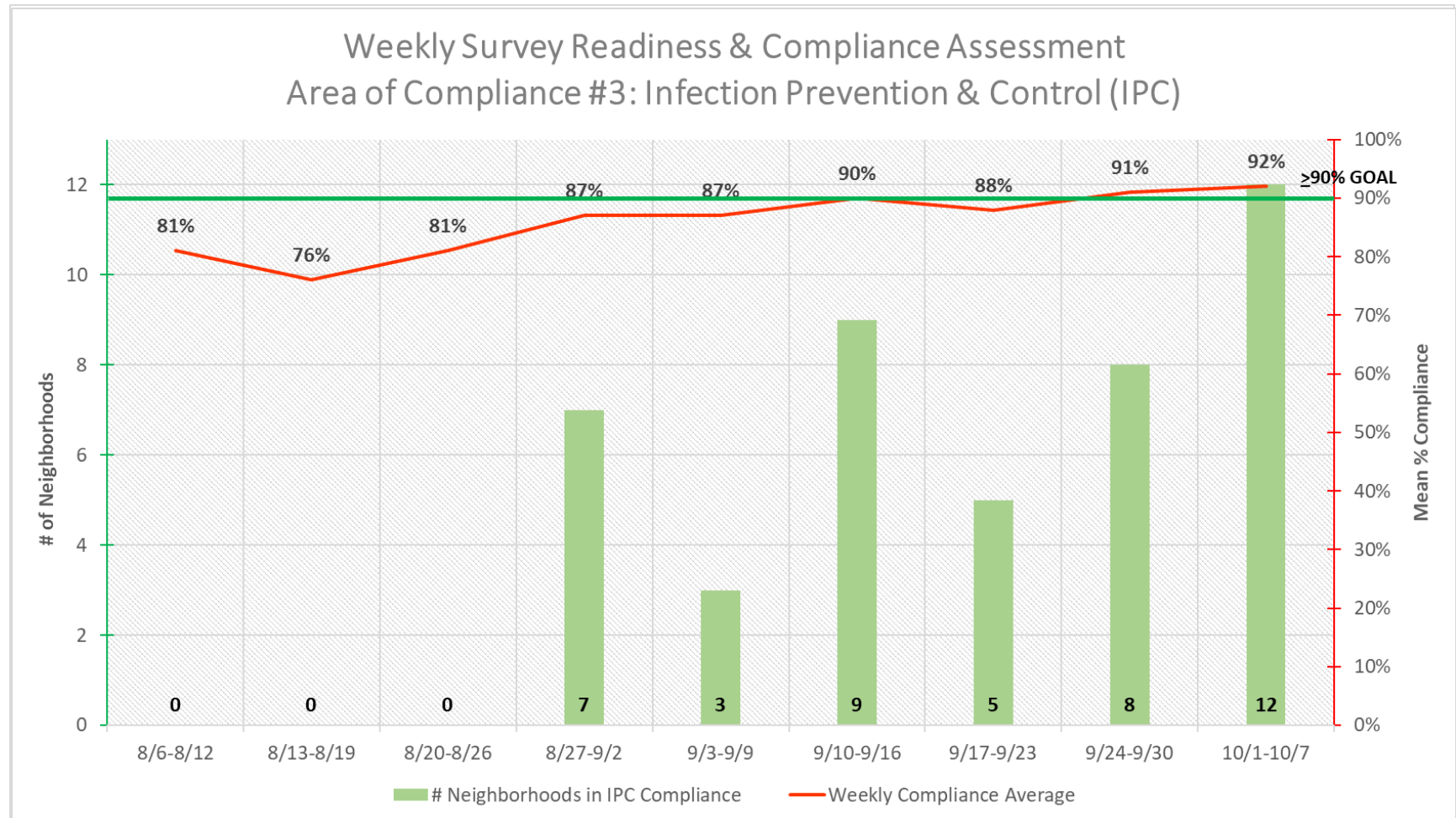
# CMS Recertification



**Key areas for improvement:** 1) Proper glove use; and 2) Ensuring soap and water is utilized when necessary



# CMS Recertification



**Key areas for improvement:** 1) PPE properly stocked on units; 2) Donning and doffing PPE appropriately; 3) Clean linen compliance; and 4) Prompt disposal of open food items



# CMS Recertification



## Resolving Mock Survey #1 Findings

- After mock survey #1, Laguna Honda had 101 findings requiring 371 correct actions. Each corrective action has a short-term and long-term tracking process to ensure sustainability.
- We have begun implementing all corrective actions and the majority are in the tracking phase.

Mock Survey #1 Total Findings/Tags	Tags Monitoring Compliance for Sustainability	Tags Verified as Resolved
101	79	22
Percentage	78.2%	21.8%



# CMS Recertification



## Summary of Recent Accomplishments in Response to the Mock Survey #1 Findings

- Updated policy on herbal supplements to ensure all supplements are USP-verified and that all supplements and medications are stored by nursing.
- Weekend cashier hours added to support resident fund access seven days a week.
- Learning bulletins for all staff after a residents is injured, investigate and identify systems issues that contributed to the event.
- Updated huddle board program with schedule to ensure all staff can participate. Huddle boards includes data review, improvement opportunities, shout-outs, and weekly themed talking points review.
- Initiating Lean Healthcare's 5S process to review clinical space and non-clinical space organization to support regulatory compliance, infection prevention and control, and environment of care.



# CMS RECERTIFICATION



## Bed Reduction Update

- Laguna Honda is required to change policies, procedures and operations to meet current regulations and allow for successful recertification. Current directive from CMS and CDPH is that Laguna Honda must comply with updated CMS 2016 standards related to skilled nursing facility resident occupancy.
- One of those standards is to have no more than two residents per room.
- Laguna Honda now has a maximum of two residents per room. This has reduced our bed count by 120 beds from 769 SNF beds to 649 SNF beds
- However, we are not de-licensing the third bed in order to keep options open as we go through recertification with CMS.
- We do not yet know if the beds will be certified by CMS but we will maintain our license and we hope to again occupy them.





# CMS RECERTIFICATION



## Kitchen Floor Renovation Project

- The Kitchen Floor Project will help modernize the kitchen floor and support regulatory compliance.
- Laguna Honda initially wanted to complete the project before CMS recertification, however we have updated our timeline based on two key factors:
- First, with decision support from CDPH we determined the renovation was not required for successful recertification.
- Second, we have not yet been able to find a contractor who can provide interim meal service that aligns with CDPH guidance.
- The current kitchen floor mitigation effort is a solution that is more focused in scope to replace floor tiles as part of regular maintenance.
- This allows Laguna Honda the facilities team to prioritize projects for recertification. We are still working on the full kitchen floor renovation project.





# CMS Recertification

## Change Management and Care Experience

- **Leadership Rounding:** Non-clinical rounding by Laguna Honda leadership to show appreciation and be a direct access point for staff questions or concerns.
- **Leadership Forum and Town Halls:** Monthly meetings with all staff and monthly meetings with managers/supervisors to provide key updates and answer questions.



# CMS Recertification

## Change Management and Care Experience

- **Graduation Celebration:** All staff event to celebrate recertification training and bring staff together.
- **Pulse Survey:** Ongoing survey – goal is for 10% of staff to complete every two weeks.
- **“Together We Can” Banners:** Visuals throughout campus to inspire staff.





# San Francisco Health Network Laguna Honda Hospital and Rehabilitation Center



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